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United States Senate

COMMITTEE ON SMALL BUSINESS

WASHINGTON, DC 20510-6350

August 7, 2001

Lt. General Robert B. Flowers
Commander
Headquarters, U.S. Army Corps of Engineers
441 G Street NW
Washington, DC 20314-1000

Dear Lt. General Flowers:

As the author of the 1997 legislation establishing the HUBZone program, I congratulate the U.S. Army Corps of Engineers on successful completion of the Consolidated Learning Center, Fort Eustis, VA. This \$4.3 million contract is the largest HUBZone construction contract to date.

A contract of that size is real money to a small business. By directing this contract to a HUBZone firm, the Corps has directed that money into the hands of employees in some of the most distressed communities in the nation. This is a significant investment in getting those communities moving again.


The HUBZone program fundamentally changes the government's role in economic development. Instead of acting as a regulator, a grantmaker, or a tax collector, the government acts as a customer. HUBZone areas tend to remain distressed, year in and year out, because of the lack of a strong customer base. As a result, firms tend to avoid such areas.

By acting as a customer to these firms, the government fills that gap. Firms willing to locate in HUBZone areas have the chance to compete for the government's purchasing dollar, stabilizing these firms' revenues as they develop a private sector customer base. This purchasing power generates additional value for these communities in employee wages, which can then be used to support other new businesses in HUBZone areas.

Your continued support of this valuable initiative is essential to bring hope to areas that are currently mired in despair and neglect. I encourage you to continue to work with Ms. Tracey Pinson, Director of the Army's Office of Small and Disadvantaged Business Utilization (SADBU), in her work to identify future contracting opportunities for the HUBZone program.

Once again, congratulations on this successful HUBZone contract.

Sincerely,



Christopher S. Bond
Ranking Member